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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:) NMLS ID: 1718831
)
THE COMMISSIONER OF BUSINESS) STATEMENT OF ISSUES IN SUPPORT OF
OVERSIGHT,) ORDER DENYING APPLICATION FOR
) MORTGAGE LOAN ORIGINATOR
Complainant,) LICENSE
)
v.)
)
PETER CHA,)
)
Respondent.)

I.

INTRODUCTION

The Commissioner of Business Oversight (Commissioner) seeks to deny the issuance of a mortgage loan originator (MLO) license to Respondent Peter Cha (Cha) pursuant to section 22109 of the California Finance Lender Law (CFLL) (Fin. Code, § 22000 et seq.) Cha has made false and/or misleading statements in his MLO license application to the Commissioner, thereby failing to demonstrate such financial responsibility, character, and general fitness as to command the confidence of the community and to warrant a determination that he will operate honestly, fairly, and efficiently as an MLO.

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II.**STATEMENT OF FACTS**

1. On or about April 13, 2018, Cha filed an application for a MLO license with the Commissioner by submitting a Form MU4 through the Nationwide Mortgage System and Registry (NMLS) pursuant to section 1422.6 of Title 10 of the California Code of Regulations (Application). Cha answered “Yes” to a question on the Application regarding prior criminal matters which involved a felony and he provided an explanation to the disclosure. The Application required Cha to explain in detail all “Yes” answers.

2. Cha’s explanation referenced “Felony charges 1999.” Cha explained:

When I was around 18, I was just being young and hung out with a bunch of friends and got into a few fights which eventually caught up to me. This is a record I regret having. I was charged in 1999 and went to jail for about 26 months. Since this I have had no other run ins with the law other than a couple of traffic tickets.”

3. A review of Cha’s criminal background revealed a 1999 conviction for felony Assault with a Deadly Weapon and felony Robbery. The background check also revealed a 2000 felony conviction for Negligent Discharge of a Firearm and a 2008 conviction for Driving Under Intoxication.

4. Cha was asked to provide a more complete explanation for his “Yes” response and to upload supporting documentation

5. Cha filed an amended MU4 on April 16, 2018 and uploaded supporting documentation to support his “Yes” response. This was inadequate as it showed only two criminal cases and did not provide any additional detail as requested.

6. On May 9, 2018, Cha emailed supporting documentation and requested review to see if those documents met the disclosure requirements. Cha was advised that he must provide certified copies of the court documents as the documents he supplied were not certified.

7. On May 17, 2018, Cha provided certified copies of the requested documents which revealed that on September 9, 1999, Cha plead guilty to one count of felony Assault with a Deadly Weapon and plead nolo contendere to one count of felony Robbery. Additional documentation revealed an April 20, 2000 guilty plea to felony Negligent Discharge of a Weapon.

8. On May 18, 2018, Cha was advised that he must amend his MU4 disclosure question with a more complete and detailed explanation for the “Yes” response and upload the certified court documents.

9. On May 18, 2018, Cha amended his MU4 as advised.

III.

APPLICABLE LAW

10. Financial Code section 22109.1 provides in relevant part:

(a) The commissioner shall deny an application for a mortgage loan originator license unless the commissioner makes, at a minimum, the following findings:

...

(3) The applicant has demonstrated such financial responsibility, character, and general fitness as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of this division.

11. The Commissioner finds that Cha does not meet at least the minimum requirements for issuance of a MLO license as set forth in Financial Code section 22161. Cha has a criminal history that includes felony convictions for felony assault with a deadly weapon, a nolo contendere conviction for felony Robbery and a guilty plea to negligent discharge of a weapon.

12. The Commissioner further finds that Cha was not forthcoming in completing the application for a MLO license by withholding material information and making misleading statements in response to requests for information in connection with the Application. Pursuant to Financial Code section 22109, the Commissioner may deny an application for a MLO license if there has been a material misstatement in the application or if the applicant withholds information in the application.

13. The Commissioner finds that Cha fails to meet the minimum standards for issuance of a MLO license under Financial Code section 22109.1, subdivision (a)(3), in that Cha has not “demonstrated such financial responsibility, character, and general fitness as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of this division.”

1 WHEREFORE, The Commissioner gives notice of her intention to deny the MLO license
2 application filed by William Richard Cha.

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4 Dated: November 30, 2018
5 San Francisco, CA

JAN LYNN OWEN
Commissioner of Business Oversight

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7
8 By _____
9 WILLIAM F. HORSEY, JR.
10 Senior Counsel